CALPEEK

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Dick Rosengarten, Publisher E-Mail calpeek@aol.com No. 5
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POLITICS OF CALIF.'S ENERGY CRISIS: **STATE SEN. PEACE IS NOW AMONG THE WALKING WOUNDED.**

Editor's note: For the past 6-9 months, State Sen. Steve Peace(D-San Diego) had been testing the waters for a possible run for CA Secretary of State next year. Last week he pulled the plug on his exploratory committee. As Sacto insiders know, Peace was the conference committee chair on AB 1890. That's the bill which was signed by then Gov. Pete Wilson(R) back in the fall of 1996, which along with the CA Public Utilities Commission's restructuring plan, deregulated Calif.'s energy industry. Here's our analysis & commentary...

...Word that Peace had scrapped his plans to run statewide next year became public on Jan. 23rd, but the papers were filed Jan. 19th ending his exploratory committee. Although sources say there were personal reasons why Peace decided not to run, there's no doubt the heavy pounding he got from an uninformed news media played a role in his decision...

...The irony of this whole thing is that Peace was ***dead set against*** deregulation – even though some in the news media and some consumer groups unfairly tagged him as the "architect of energy dereg in Calif." The fact is it wasn't the Calif. Legislature who ordered deregulation, but rather the PUC. Repeat: it was the PUC who ordered dereg...

...Six weeks before he dropped his political plans, Peace produced and distributed a 12-minute videotape about the ***Myths of Deregulation in Calif.*** While some may characterize this videotape as nothing more than CYA, there is important info in the video the news media and public has missed. FYI: you can download this video from the web under www.sen.ca.gov (then go to Sen. Steve Peace)...

...Deregulation of the energy industry began in Washington DC in 1992 (under former Pres. George Bush, w/a Demo controlled congress). Slowly the dereg movement spread West. From 1993 to 1995 the Calif. PUC began drafting its own energy dereg plan – pushed by Wilson's PUC Chair, Daniel Fessler. When the dereg plan was completed, it was sent to FERC (Federal Energy Regulatory Comm.) in December of '95 and FERC approved it...

...Under this plan, the PUC had the authority to order SCE, PG&E and SDG&E to sell all of their power generating facilities to private firms. The fact is that AB 1890 was an attempt by the Calif. Legislature to ***amend*** and to slow down the PUC's dereg plan, within very narrow guidelines as outlined by Gov. Wilson. AB 1890 allowed the IOUs (investor owned utilities) to retain at least 50% of their generating facilities. And during the *hundreds of hours* of public hearings in 1996, Peace said repeatedly that the big Calif. businesses who were pushing for dereg were being misled (lied to) by out of state energy producers. "The economic advantages of a competitive market won't be there," Peace said. "It's not a good idea. I'm in favor of a regulated environment. The big customers are going to be sorry they ever asked for this." How true – and remember this is 1996!!!

...There are some who have said Calif. would have been better off without AB 1890. But without AB 1890, the current crisis would have hit Calif. a whole year sooner (in 1999). The real irony is that Peace was had it right back in 1996 when he said dereg *wasn't* a good idea. Stay tuned...

CAMPAIGN 2002: **CALPEEK's FIRST LOOK AT WHO MIGHT WANT TO RUN FOR CA STATEWIDE OFFICE.**

Editor's note: This time next year Calif. will be in the midst of its statewide primary. The primary is Mar. 5, 2002. As of now there will be four OPEN statewide constitutional seats up for grabs, as well as four seats on the Calif. Board of Equalization. As noted last week, CA Sec. of State Bill Jones(R) is already exploring a run against Demo Gov. Gray Davis. And former CA Sec. of State March Fong Eu(D) has formed an exploratory committee to regain her office. Admittedly, some of those mentioned here may not run, but their names have been floated as potential candidates next year. Here's our first look at *Campaign 2002* – by office...

◆ *Governor* – Incumbent Demo Gov. Gray Davis will have an opponent, it's just not known at this point who it will be. As noted above, Jones is exploring. The big question, at least in the minds of GOP insiders, is whether he's

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the strongest candidate to lead the ticket and help down ballot Republicans. Other GOP names to surface include school voucher author Tim Draper; and Ron Unz, author of the initiative which ended bilingual education. In addition, some sources have mentioned *termed out* L.A. Mayor Richard Riordan and actor Arnold Schwarzenegger as possible GOP gubernatorial candidates…

◆ ***Lt. Governor*** – Incumbent Demo Cruz Bustamante will seek a 2nd term and at this point there's no buzz about whom the GOP will recruit to run against the popular LG. One name has surfaced: GOP Assemblywoman Lynn Leach from Contra Costa Co…

◆ ***Attorney General*** – You'd think by now there might at least be one GOP name floating about who wants to take on first term incumbent Demo AG Bill Lockyer, but no such luck. Had former Congressman Jim Rogan(R) been reelected to his 27th CD House seat, then his name might be out there now. It's not. So the search continues…

◆ ***Treasurer*** – Just like Lockyer and Bustamante, first term incumbent Demo Treasurer Phil Angelides of Sacto has no GOP rival exploring a possible run. Not that Angelides is vulnerable. He's a terrific fundraiser and by all accounts gets solid marks for his first two years in office…

◆ ***Controller*** – Demo Kathleen Connelly is *termed out*. There are two Demos seriously exploring: Bd. of Equalization member Johan Klehs and former CA Demo Party Vice Chair Steve Westly, who has made a fortune at ebay.com. He's talking about spending mega bucks. On the GOP side, Bd. of Equalization member Dean Andal is raising money and locking up slates. Andal is a serious candidate…

◆ ***Secretary of State*** – Jones is *termed out* and the field is fairly narrow on the GOP side, with only former Assemblyman Keith Olberg of Victorvillle in the running thus far. On the Demo side, Mrs. Eu has formed an exploratory committee. Some insiders speculate that Assembly Speaker Bob Hertzberg might run here. State Sen. Steve Peace(D-San Diego) was looking, but on Jan. 19th he folded his exploratory committee. The only other Demo name to surface is that of U.S. Rep. Gary Condit from the Central Valley…

◆ ***Supt. of Public Instruction*** – Incumbent Delaine Eastin is *termed out*. On the GOP side, Assemblywoman Lynn Leach has surfaced (also for LG). On the Demo side, State Sen. Jack O'Connell of Santa Barbara is looking…

◆ ***Insurance Commissioner*** – With Chuck Quackenbush gone, this open seat probably falls back into Demo hands. There are no serious GOPers even looking here. On the Demo side, two names have surfaced: State Sen. Jackie Speier and former Assemblyman Wally Knox. Current Assemblyman Rod Wright was looking here last year, but he's now actively exploring the 32nd CD race in L.A…

…Seems really thin on the GOP side, but sources think Republicans are keeping their "powder dry" for the time being, waiting to see how Davis and the Demos handle this energy crisis. We'll update this *Campaign 20002* story from time to time. Stay tuned…

65th AD SPECIAL ELECTION: BOGH OUT IN FRONT.

Editor's note: The 65th AD special primary is set for Feb. 6th, with the runoff on Apr. 3rd. This election was made necessary when Assemblywoman-elect Jan Leja(R-Beaumont) decided **not** to be sworn in – part of a plea bargain because Leja violated Calif.'s campaign reporting laws. Here's our brief update…

…The acknowledged GOP frontrunner is Russ Bogh, a 31-year-old businessman from Cherry Valley. He finished second to Leja in a very bitter GOP primary last year. Until recently, Bogh was a regional mgr. for Southern Calif. Edison. Now he's working for his dad. Bogh has been endorsed by many of the top Inland Empire GOP establishment, including U.S. Reps. Mary Bono and Ken Calvert, plus State Sen. Jim Battin and Assemblyman Rod Pacheco. Bogh is also supported by the Howard Jarvis Taxpayers Assn.. State Sen. Jim Brulte of Rancho Cucamonga, as well as former Assemblyman Brett Granlund, are neutral. Pacheco was a key Bogh supporter last year, while Brulte and Granlund were allied with Leja…

…There are six other GOPers in the race: Yucaipa Councilman Tom Masner; 29 Palms Councilman Jim Bagley; Moreno Valley Councilman Bill Batey; businessman Tim Johnson; plus Charles Perkins of Banning; and attorney David O'Brien of Big Bear City. O'Brien, like Bogh, was a 2000 GOP primary candidate. The only Demo in the special is retired Navy officer Ray Quinto. Quinto came within 4,000 votes of beating Leja in the Nov. 7th general election. By that time, the story about Leja's campaign reporting violations was well known…

…Masner is a San Bernardino Co. Deputy Sheriff, but the San Bernardino Co. Deputy Sheriffs Assn. is backing Bogh…

…FYI: in the first campaign reports, Bogh is way out in front with $66,046 in contributions, including a $50,000 loan to himself. The other GOPers trail badly, while Quinto has raised just under $4,000. Stay tuned…

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CAMPAIGN 2001: **L.A. CITY CONTROLLER CONTEST.**
Editor's note: This week **Calpeek** takes a first look at the battle for L.A. City Controller. We'll also update the L.A. City Attorney's race. Next week: the city council races…

…*Term limits* have finally caught up with incumbent L.A. City Controller Rick Tuttle, who is forced out of office after 16 years. By all accounts, Tuttle has been one of the most effective officeholders in recent L.A. history…

…There are five candidates eyeing this job, but most insiders see this battle coming down to L.A. Councilwoman Laura Chick vs. political unknown Laurette Healey, owner of Entertainment Marketing Assoc. Not much is known about Healey, but she is a lesbian and is active in the gay/lesbian community. Healey was recruited to run against Chick by L.A. Mayor Richard Riordan. To say Riordan doesn't like Chick is a gross understatement. But Healey was **not** Riordan's first choice. Last year he tried to get L.A. Deputy Mayor Kelly Martin to run. No luck. Ditto former L.A. Deputy Mayor Noelia Rodriguez. As one pro-Chick source told **Calpeek**, "Riordan ran out of names in the yellow pages, so he went to the white pages to find Healey."…

∴Others in the race are J. Paul Brownridge, the former L.A. City Treasurer, appointed by the late Tom Bradley; Scott William Morris; and perennial candidate Khalil Khalil…

…Until Healey entered the contest, insiders felt that Chick had a shot to win *without* a runoff. Although she's still consider the favorite, odds of a runoff have increased, especially if Healey can raise a viable warchest. Healey has hired former Riordan media consultant Bill Carrick. Also aboard the team are strategist/pollster Arnie Steinberg (also an old Riordan hand); and John Applegate, who will handle daily campaign management. Chick's team is led by consultant Steve Afriat, with Rick Taylor also aboard the effort. Both will handle tv and mail…

…Except for Mayor Riordan, Chick has locked up almost all of the key endorsements. Labor has not yet endorse, but sources think Chick should get that endorsement too. Key supporters include Tuttle, U.S. Senators Boxer & Feinstein, U.S. Reps. Berman, Sherman, McDonald, Waxman, Harman, Roybal-Allard and Solis. Assembly Speaker Bob Hertzberg and L.A. Co. Sheriff Lee Baca are also backing Chick. And the influential gay/lesbian Stonewall Demo Club unanimously endorsed Chick – after Healey's candidacy became known…

…UPDATE on L.A. City Attorney's race. Mayor Riordan has not formally endorsed Rocky Delgadillo's bid for City Attorney. **Calpeek** said Delgadillo was running with the mayor's support. Perhaps a better word would have been "blessing." There's little doubt Riordan encouraged his deputy mayor to run and sources say Riordan will make a formal endorsement of Delgadillo in the weeks ahead. Stay tuned…

CAMPAIGN 2001: **EARLY SPRING MUNI ELECTIONS.**
Editor's note: Here is Part III in **Calpeek's** continuing updates on early Spring municipal elections…

☒ ***Beverly Hills*** – As carried some time ago in **Calpeek**, popular 3-term Mayor Vicki Reynolds won't seek reelection on Mar. 6th. She was first elected in 1988 and again in '92 and '97. And City Treasurer Joan Seidel is also retiring. She was appointed in 1992 and reelected in '97. The new Treasurer will be Frank Fenton, because he's the only candidate running. In the council races, incumbents Thomas Levyn and Mark Egerman are seeking reelection. There also are 9 others running. They include Linda Briskman; Mary Levin Cutler; James Fabe; Martin Geimer; Kurt Haber; Jeanette Parker; Herm Shultz; Mitch Waldow; and Steve Webb…

☒ ***West Hollywood*** – This city is Beverly Hills' next door neighbor. Their muni primary is also Mar. 6th. The big controversy on this year's city ballot is the ***Condom Initiative***, to force gay bars to distribute condoms and AIDS literature. But there are also two city council posts up for grabs. One of the two seats is open, due to the election of Paul Koretz to the State Assembly. Mayor Jeff Prang is also up and he's running for a 2nd term. Best known of the 8 other challengers are attorney John Duran, Ruth Williams and Barbara Hamacker. Duran has hired consultant Susan Burnside to run his campaign; Prang's lead consultant is Steve Afriat (w/Susan Burnside); while Williams has hired consultant Renee Naham (Naham & Rex). Both Duran and Williams have fair name ID because they've served on city commissions or have run before…

☒ ***Hawaiian Gardens*** – This city of 14,505 is located northeast of Long Beach, very near Cerritos. There's been a long-running ***civil war*** in this town – all centered around Dr. Irving Moskowitz, who owns a poker club. Those who don't like Moskowitz accuse him of running the town, even though he lives in Florida. But the controversy surrounding Moskowitz goes much deeper: he's a very big contributor to right-wing political causes and politicians in Israel. There's even a website called www.stopmoskowitz.org. Back to Hawaiian Gardens. The council is currently split: 3-2, with the pro-Moskowitz forces in control. Three seats

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are up on Mar. 6th ballot. One of the seats up for grabs is held by pro-Moskowitz Councilwoman Betty J. Schultz. Two of the seats are held by anti-Moskowitz councilmembers Placido Alvarez and Lupe Cabrera. In addition to these incumbents, voters could pick ex-councilmembers Ralph J. Cesena or Alan Calcote; or go with other pro-Moskowitz candidates John Heckerman or Mrs. Michiko Oyama-Canada. No way to tell which side is leading. Stay tuned…

CALPEEK'S CALENDAR OF POLITICAL EVENTS

Feb. 6	65th AD special election primary.
Feb. 8 & 10	L.A. Co. COPE (endorsement meetings).
Feb. 16-19	Calif. Libertarian Party state convention, San Jose Doubletree Hotel.
Feb. 23-25	CA Republican Party spring convention @ Hyatt Regency Hotel, Sacramento.
Feb. 25-27	Sacramento Seminar.
Feb. 27	Burbank city election.
Mar. 6	60 municipal elections, mostly L.A. County; 24th SD Special election primary.
Mar. 9-13	Nat'l League of Cities Congressional Cities Conference, Washington DC.

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES. Editor's note: Here are a few items, political & otherwise, worth noting…

■ *32nd CD Update* – There was never any doubt that Diane E. Watson(D) would run for the late Julian Dixon's 32nd CD. She returned to the U.S. on Jan. 21st after resigning as U.S. Ambassador to Micronesia. Filing begins on Feb. 6th and ends Feb. 26th for this special election. The primary election is April 10th. In addition to Watson, others who are raising money and running include L.A. Councilman Nate Holden, State Sen. Kevin Murray, Assemblyman Rod Wright and attorney Leo Terrell. All of the above are Demos. There are 2 GOPers, 2 Greens and 3 other lesser known Demos…

■ *24th SD Update* – In this Mar. 6th special election primary, Demo Assemblywoman Gloria Romero has received the endorsement of Hilda Solis, the new U.S. Congresswoman who used to represent the 24th SD. Romero's chief rival is former Assemblyman Martin Gallegos(D)…

■ *Clinton's Final Calif. Poll* – Former Pres. Bill Clinton should forget NY and move to Calif. This latest Field Poll shows Clinton's overall job approval rating is *74%* vs. *22%* disapprove. Among Demos, Clinton's approval rating is *94%*…

■ *Tauscher DLC Vice Chair* – Demo Calif. U.S. Rep. Ellen Tauscher of Contra Costa Co. has been named as the Vice Chair of the Democratic Leadership Council(DLC). She replaces Roy Romer, now the LAUSD superintendent. FYI: Bruce Reed, former Pres. Clinton's Domestic Policy Advisor for the past 4 years, is back at the DLC as president…

CALPEEK'S NEW JOBS AND PERSONNEL NOTICES. Editor's note: Here are some items to mark down in your notebook. We still have a ton of these announcements…

● Lawrence H. Lokman has been hired as a VP by L.A.-based Rogers & Associates. Lokman had been a sr. consultant to the LADWP…

● Political spin doctor Sheri Annis has opened her own consulting firm: Fourth Estate Strategies in Santa Monica. ☎ (310)899-1025…

● Gov. Davis has appointed George Marcus as a member of the UC Board of Regents. Marcus is a commercial real estate broker from Los Altos Hills…

● Catherine F. Maguire has been reelected as chair of the Valley Industry & Commerce Assn.(VICA). She is a p/a manager with So. Calif. Gas Company…

● The L.A. office of Greer, Margolis, Mitchell et al has been hired to do p/a and governmental affairs work for the CA Children & Families Commission…

● L.A.-based Cerrell Associates has been hired to organize an international conference on air quality in October 2001 for So. Coast Air Quality Mgt. District(SCAQMD)…

● Davis-based James Burchill & Associates has hired Steve Archer, Ms. Hiedi Herzig and Dennis Pottenger as associates…

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